

Office of State Procurement
State of Louisiana
Division of Administration

JOHN BEL EDWARDS
GOVERNOR



JAY DARDENNE
COMMISSIONER OF ADMINISTRATION

March 17, 2020

ADDENDUM NO. 7

Your reference is directed to File No. A3000014334P, Solicitation No. 3000014334 for the Request for Proposal (RFP) for Electronic Credit Card and Debit Card Processing for the Louisiana Department of Revenue (LDR), which is scheduled to open at 10:00 A.M. (CT) on April 2, 2020.

The following changes are to be made to the referenced solicitation:

Due to the COVID-19 emergency situation, the Office of State Procurement is temporarily suspending in-person attendance by proposers at public proposal openings for proposals published by our office.

**Refer to RFP Section 1.7 Proposal Submittal, Last Paragraph
Revised to read:**

Any proposer who would like to view the opening of this proposal can access the following link, at the date and time of this proposal opening: <https://doa-ospla.zoom.us/j/2697438343>

This link will provide live audio and video access to this proposal opening. The link will be live at 9:55 AM CT on the date of proposal opening.

ONLY THE NAME OF THE PROPOSERS SUBMITTING PROPOSALS SHALL BE IDENTIFIED ALOUD. NO OTHER INFORMATION CONTAINED IN THE PROPOSAL SHALL BE RELEASED OR DISCLOSED.

Refer to RFP Attachment A: Scope of Work/Services, Section 2.0, Page 41.

Currently reads: The Contractor shall also accept and process MoneyGram® cash payments from or at remote walk-up locations.

Changed to read: The Contractor should accept and process MoneyGram®, Western Union, or equivalent, cash payments from or at remote walk-up locations. For purposes of this RFP, a service is considered "or equivalent" to MoneyGram® or Western Union if it is a nationally recognized money transfer provider with physical walk-up locations.

Refer to RFP Attachment A: Scope of Work/Services, Section 2.0, Page 43.

Currently reads: This shall also include eCheck and MoneyGram® payments for non-tax debt.

Changed to read: This shall also include, but not be limited to, eCheck and MoneyGram®, Western Union, or equivalent, payments for non-tax debt.

Refer to RFP Attachment G: Worksheet for Convenience Fee, Page 70.

Delete in its entirety and replace with Revised Attachment G dated 3/17/2020 beginning on page 19 of this Addendum No.7.

The Proposer's written inquiries received by the inquiry deadline of January 15, 2020 and the State's responses are included on the attached page 3.

THIS ADDENDUM IS HEREBY OFFICIALLY MADE A PART OF THE REFERENCED SOLICITATION.

ACKNOWLEDGEMENT: If you have already submitted your proposal and this Addendum does not cause you to revise your proposal, you should acknowledge receipt of this Addendum by identifying your business name and by signing where indicated. You may return this Acknowledgement by mail to: Office of State Procurement, P. O. Box 94095, Baton Rouge, LA 70804-9095, by hand delivery to: 1201 N. 3rd Street, Ste. 2-160, Baton Rouge, LA 70802, or by fax to: (225) 342-9756. The State reserves the right to request a completed Acknowledgement at any time. Failure to execute an acknowledgement shall not relieve the proposer from complying with the terms of its proposal.

Addendum Acknowledged/No changes:

For: _____ By: _____

REVISION: If you have already submitted your proposal and this Addendum requires you to revise your proposal, you must indicate any change(s) below, identify your business name and sign where shown. Revisions shall be delivered prior to proposal opening by mail to: Office of State Procurement, P. O. Box 94095, Baton Rouge, LA 70804-9095, or by hand delivery or courier to: 1201 N. 3rd Street, Ste. 2-160, Baton Rouge, LA 70802, and indicate the file number and the proposal opening date and time on the outside of the envelope for proper identification, or by fax to: (225) 342-9756. Electronic transmission other than by fax are not being accepted at this time.

Revisions received after proposal opening shall not be considered and you shall be held to your original proposal.

Revision: _____

For: _____ By: _____

By: Monica Clark
Office of State Procurement
Telephone No. 225-342-7938
Email: Monica.Clark2@la.gov

WRITTEN INQUIRIES
RFP FOR ELECTRONIC CREDIT CARD AND DEBIT CARD PROCESSING
FOR THE LOUISIANA DEPARTMENT OF REVENUE (LDR)
SOLICITATION NUMBER 3000014334

Question 1: Attachment A, Section 2.0, page 43 states that "The Contractor shall utilize the State's authorized processing organization for payment card and check processing operations." Who is the State's "authorized processing organization"? Is the state interested in receiving bids from vendors who are both payment providers and payment processors?

Answer: The current authorized processing organization is Elavon as part of a contract between the Louisiana Department of Treasury and U.S. Bank National Association. Yes, the State is interested in receiving proposals from proposers who are both payment providers and payment processors. However, all payment card and check processing must be done through Elavon.

Question 2: What vendor does the LDR currently use to process tax and non-tax payments for credit/debit card and ACH (eCheck) payments?

Answer: ACI Worldwide is the current Contractor for tax payments. Credit/debit card and ACH payments for non-tax debt have not previously been accepted by the Louisiana Department of Revenue (LDR).

Question 3: What rate (absorbed and/or convenience fee) does LDR's current vendor charge for credit/debit and ACH (eCheck) processing for tax and non-tax payments.

Answer: See the chart below.

Credit Card Convenience Fee	Debit Card Convenience Fee
2.45% of payment with minimum \$3.95 service fee	1% of payment with minimum \$3.95 service fee

Question 4: In Section 1.2, page 5, the volume table for "Tax Type of Credit Card..." lists \$20,819,011.13 for FY2018. Can the LDR provide a transaction count (total number of transactions) in addition to gross dollar amount processed? Can the LDR break down this transaction count by credit/debit card and ACH transactions processed? Does the LDR know its 2019 volume?

Answer: See Exhibit 1 of this Addendum Number 7.

Question 5: Attachment A, Section 2.0, page 41 states that "Contractor shall also accept and process Electronic Check Services ("eCheck") electronic payments from personal and business checking and savings accounts." Since ACH (eCheck) payments are in scope for this project, how would you like proposers to display ACH (eCheck) fees on Section G: Worksheet for Convenience Fees?

Answer: See Revised Attachment G: Worksheet for Convenience Fee of this Addendum Number 7.

Question 6: Would the LDR consider extending the due date to February 26, 2020?

Answer: See change to the Schedule of Events in Addendum Number 6.

Question 7: Why is the State releasing the RFP at this time?

Answer: Refer to Section 1.1 Purpose of the RFP.

Question 8: Who is the incumbent vendor?

Answer: See Answer to Question 2.

Question 9: What is the Current fee charged by the vendor?

Answer: See Answer to Question 3.

Question 10: Does this RFP include the acceptance of E-Check /ACH Payments?

Answer: Yes, this RFP includes the acceptance of E-Check/ACH Payments.

Question 11: If ACH/E-Check payments are included, can you provide a breakdown of transaction type (Credit/Debit/E-Check) for the Chart published on Page 5?

Answer: See Exhibit 1 of this Addendum Number 7.

Question 12: Does this RFP include Point of Sale Transactions?

Answer: No, this RFP does not include Point of Sale Transactions, however, the Proposer can include that option in their proposal.

Question 13: If so, how many point of sale terminals are deployed with the State agencies?

Answer: There are currently no Point of Sale terminals in use for these services.

Question 14: How many Merchant ID's (MIDS) are tied to the current contract?

Answer: Ten (10) merchant ID's are tied to the current contract.

Question 15: Will questions be answered as received or in the form of single addendum on/or before January 29th?

Answer: Answers will be issued as a single addendum.

Question 16: COTS is described as a pre-packaged software available for sale to the public, or a product designed to be easily installed and to easily interoperate with existing system components.

- a. Do you require the payment platform to be a true “shrink-wrapped” commercial, off-the-shelf software that’s available for sale to the public, or simply an easily installed and easily interoperate platform that integrates with the Department’s existing system components, which may not be for sale but offered to the State at no cost?
- b. Is the Department’s current system a COTS system, and if so, what is the make and model?
- c. If the desire of the State is to implement software that is available for sale to the public, is this something the Department would consider purchasing themselves outside of the RFP?

Answer: LDR does not require the payment platform to be a true “shrink-wrapped” software that’s available for sale to the public. No integration with LDR’s existing system is required. The COTS system should be one the Contractor uses. Credit and debit card processing via both the internet and Interactive Voice Response (IVR) are required, with customizable website pages for payment submission. The current system is a COTS system used by the Contractor, not one purchased by LDR. No, LDR is not considering purchasing software outside of the RFP.

Question 17: What is the make and model of the Department’s current system components or platform that requires integration?

Answer: No integration is required for payments.

Question 18: Who is the State’s current credit/debit processor and what is the current fee/rate structure?

Answer: See Answers to Question 1 and Question 3.

Question 19: Can the Department provide a chargeback report for the past year? Or a summary of the last year’s total amount?

Answer: The total amount of chargebacks was \$20,615.41.

Question 20: Page 5, Section 1.2. Can you please provide a break out of the number of transactions for credit, debit and eChecks?

Answer: See Exhibit 1 of this Addendum Number 7.

Question 21: Can you please provide the current convenience fee tiered rates for credit, debit, and eChecks?

Answer: See Answer to Question 3.

Question 22: Can you provide 12 months of statements so that we may see the prominent Interchange Levels?

Answer: The interchange levels are not applicable to LDR's current contract.

Question 23: Please clarify the table on page 5, that FY 18 \$20,819,011.13 represents all tax payments found in Attachment B and C.

- a. Please breakout by total number of transactions.
- b. Please breakout by total dollar amount.
- c. Please breakout by total by tax type.
- d. Please breakout by total non-tax debt type.

Answer: See Exhibit 1 of this Addendum Number 7 for the total number of transactions and dollar amounts. The totals in the chart on page 5 of the RFP only represent tax debt. It does NOT include any non-tax debt type.

Question 24: Page 41. Can you supply a use-case for how MoneyGram is currently used today?

Answer: MoneyGram is a payment option for the customer. However, when LDR receives the payment, it is received as a credit card payment.

Question 25: Page 41. Please explain the partnership with ACI/Official Payments and MoneyGram.

Answer: ACI/Worldwide builds its own partnerships with others in order to provide LDR its contracted services.

Question 26: Page 43, Paragraph 3: "The Contractor shall utilize the State's authorized processing organization for payment card and check processing operations." Can you please clarify what the State's "authorized processing organization" is?

Answer: See Answer to Question 1.

Question 27: Page 43. Since ACH/eChecks are sent in a daily ACH file why is there a requirement on page 41 for the inclusion of account number verification and that the account has a positive balance?

Answer: The account number verification is at the time of the payment submission. See Answer to Question 105 for additional information regarding account number verification. The daily ACH payment files and remittance to LDR is a separate process.

Question 28: Per your requirement on page 41, "The State will be the merchant of record for card payments made to the State." We request you remove requirement: "The merchant agreement entered into pursuant to this RFP will be solely between the Contractor and the credit card companies and all issues regarding presentment, acceptability, and payment are solely between those parties. The State will not be a party to any contract made between Contractor and the credit

card companies and will not be responsible for the payment to the credit card companies of the merchant card fees or discounts.” LDR will need to sign a merchant agreement as required by the Card Brands (Visa, Mastercard, Discover, Amex).

Answer: No, LDR will not remove this requirement from the RFP.

Question 29: Page 42. Please give use-case where the vendor would provide tax-payer support.

Answer: When payments are not processed or posted, the Contractor is expected to be able to research the issue and provide information to the taxpayer/debtor as needed or requested.

Question 30: Page 10, 1.8 and 1.9. Will LDR accept a scanned signature from the authorized signer in our submission or do you require a wet original?

Answer: A scanned signature from an authorized signer is acceptable.

Question 31: Part I: Administrative and General Information, 1.2. Who is LDR’s current vendor for these services and when does their contract end?

Answer: See Answer to Question 2. The current contract ends June 30, 2020.

Question 32: Part I: Administrative and General Information, 1.2. Please provide the number of transactions that correlate to the dollar volume processed for 2019.

Answer: See Exhibit 1 of this Addendum Number 7.

Question 33: Part I: Administrative and General Information, 1.2. What was the 2019 payment volume by card type (e.g., Visa, Mastercard, etc.)?

Answer: Payment volume by card type was not tracked or captured.

Question 34: Part I: Administrative and General Information, 1.2. Does the current vendor have LDR on a regulated debit program in order to charge a 1% Convenience Fee for debit card payments?

Answer: No, the current Contractor does not have LDR on a regulated debit program in order to charge a 1% Convenience Fee for debit card payments. According to current state contract(s) and state law, LDR does not charge or bear the responsibility to collect the convenience fee.

Question 35: Part I: Administrative and General Information, 1.7. Will LDR accept more than one proposal from a Bidder if they have more than one solution/partner they can propose?

Answer: Yes, LDR will accept more than one (1) proposal from a Proposer if they have more than one (1) solution/partner to propose.

Question 36: Part II: Scope of Work/Services, 2.5.2. Will the LDR accept a Federal reference (IRS)?

Answer: Yes, LDR will accept a Federal reference.

Question 37: Part II: Scope of Work/Services, 2.5.3. Does the current vendor/contract utilize these Programs?

Answer: The current Contractor does not utilize these programs at this time.

Question 38: Part III: Evaluation, 3.3. Due to the sensitivity of card holder and banking information that is collected, as well as the compliance protocols that are required of the Payment Card Industry, we are not able to utilize Veteran and Hudson Initiative programs. Will consideration be made to remove the allocation of 12% of the total evaluation points for this requirement?

Answer: La. R.S. 39:2175 requires twelve percent (12%) of the total evaluation points be included in all Request for Proposals, unless the funding source prohibits the use of the Veteran and Hudson Initiatives as an evaluation factor in the RFP. The funding source for the services contemplated in this RFP does not prohibit the use of the Veteran and Hudson Initiatives as an evaluation factor.

Question 39: Attachment A: Scope of Work/Services, 2.0. The RFP mentions the need for an in person walk up payment company, Moneygram. Does this have to be Moneygram, or can it be another provider such as Western Union or Pay Near Me that provides the same service?

Answer: See specification change in this Addendum Number 7.

Question 40: Attachment A: Scope of Work/Services, 2.0. Who is the State's central depository bank?

Answer: The State's central depository bank currently is J.P. MorganChase.

Question 41: Who is the Department of Revenue's current service provider for the services outlined in this Solicitation?

Answer: See Answer to Question 2.

Question 42: What is the reason for the release of this solicitation i.e. current contract set to expire, seeking additional services not provided by current vendor, seeking better pricing, etc.?

Answer: See Answer to Question 7.

Question 43: Can you provide more specific details on the State's current acceptance and processing of MoneyGram cash payments from remote walk-up locations? Are the specific locations/convenience store chains that the State currently works with for these services?

Answer: All MoneyGram cash payments are processed to LDR as credit card payments. Specific payment locations and other details regarding where cash payments are made are the responsibility of the Contractor to determine in fulfillment of the contract.

Question 44: Is there anything specific the Department of Revenue dislikes about its current payment processing services, or is there any desired new functionality that is not provided with the Department's current credit and debit card processing services?

Answer: There are no specific dislikes regarding the current Contractor. Proposers are encouraged to offer innovative options in their proposal.

Question 45: Please provide the average payment amount processed through the current payment platform?

Answer: The average payment amount processed via the current payment platform is \$496.32.

Question 46: How many transactions were processed via the current payment platform in 2019?

Answer: See Exhibit 1 of this Addendum Number 7.

Question 47: How many tax bills were issued by LDR in 2019?

Answer: LDR issued approximately 1,684,000 tax bills in 2019.

Question 48: Who is the State's current payment contractor?

Answer: See Answer to Question 2.

Question 49: Who is the State's authorized processing organization?

Answer: See Answer to Question 1.

Question 50: What is the total payment volume for all payment types for FY16, 17, and 18?

Answer: See Exhibit 1 of this Addendum No. 7.

Question 51: What is the total volume for Echeck Payments?

Answer: eCheck payments are included in the numbers for credit card payments.

Question 53: What is the minimum amount of payment locations for the MoneyGram walk up locations requirement?

Answer: LDR does not dictate a minimum or maximum amount of MoneyGram payment locations.

Question 54: Who is the State's authorized processing organization for payment integration?

Answer: See Answer to Question 1.

Question 55: Please provide the name(s) of the State's current online credit and debit card payment provider(s) related to the product types outlined in the scope of this RFP?

Answer: See Answer to Question 2.

Question 56: Does the State's current payment provider(s) charge the processing fees to the cardholder? If so, what are the fees?

Answer: Yes, the fee is charged to the cardholder. See Answer to Question 3 for the fee amounts.

Question 57: Does the State absorb any processing fees by its current payment processing provider(s)? If so, what are the fees paid by the state?

Answer: No, the State does not absorb any processing fees.

Question 58: Can the State clarify the type of interface (e.g. web services look-up with payment update, web form post with/post back, imbedded iFrame, hosted payment) to the States tax and non-tax system(s) it desires for this project? Is the system(s) hosted locally vs. hosted by vendor or cloud based?

Answer: There is no interface for tax or non-tax payments. A hyperlink to the Contractor's system is provided on the LDR website.

Question 59: Can the State augment the "tax payment" information table on page 5 to include total transactions per year?

Answer: See Exhibit 1 to this Addendum Number 7.

Question 60: Can the state clarify that the "tax payment" information table on page 5 includes non-tax products as well? If not, can the State provide a similar formatted estimate of revenue and transactions related to non-tax products and specific if the results are total revenue or some combination payment source?

Answer: The "tax payment" information on page 5 of the RFP does NOT include non-tax products. For non-tax debt, in FY19, there were 6,700 paper (customer mailed-in checks and/or money

orders) processed by the Office of Debt Recovery (ODR) for a total of \$1,239,000. Payment data is not available for previous years.

Question 61: Can the State clarify the roles of its central depository bank and selected electronic credit and debit card processing provider as it relates to processing eCheck into an ACH transaction (Page 43) and the requirement to verify of the account number and that the account has a positive balance (Page 41)?

Answer: The role of the central depository bank is to receive payments from the processor. The Contractor shall verify that as of the opening of the business day, the account number identified in the payment transaction is a valid account number and had a positive balance in the account. The Contractor is not required to detect whether the balance is sufficient to cover the pending payment transaction or whether funds were subsequently withdrawn during the business day.

Question 62: Is MoneyGram currently used to help collect tax and non-tax payments for businesses and residents who want to pay cash? If so, does the state desire MoneyGram to continue its current remittance process; and also work with the selected credit card provider so that all cash monies collected by MoneyGram can be reported to the State along with revenues collected via credit card and eCheck?

Answer: Though contemplated as a payment alternative in the current contract, no payments through MoneyGram have been made as of this date.

Question 63: Will the State be designating a centralized project manager/coordinator or will the selected provider be working with a project manager for each department?

Answer: One (1) project manager will be assigned for tax debt and one (1) project manager will be assigned for non-tax debt.

Question 64: Can the State provide an annual estimate of annual chargeback payment amount and transaction totals?

Answer: See Answer to Question 19.

Question 65: Is the Surety Bond required for the length of the contract, or during implementation?

Answer: The Surety Bond is required for the length of the contract.

Question 66: Is the Fidelity Bond required for the length of the contract, or during implementation?

Answer: The Fidelity Bond is required for the length of the contract.

Question 67: For the Fidelity Bond requirement, will the State accept a Fidelity policy instead of a bond?

Answer: A Fidelity policy that offers substantially the same protections to the State and is approved by the State's Office of Risk Management is acceptable.

Question 68: Is a Letter of Bondability required with our response?

Answer: No, a Letter of Bondability is not required with proposal responses.

Question 69: Would it be acceptable to the State to provide an alternative cash payment solution to MoneyGram, which would support cash payments in locations such as 7Eleven, and CVS?

Answer: See Specification Change in this Addendum Number 7.

Question 70: Who is the State's current Authorized Processing Organization for card processing? Is it mandatory that the vendor uses this entity?

Answer: See Answer to Question 1. Yes, it is mandatory that the Contractor use this entity.

Question 71: Is 24 hour availability for Customer Support contact center required for both taxpayers or Department representatives, or just 24 hour for State support?

Answer: Twenty-four (24) hour availability for Customer Support is required.

Question 72: How many physical office locations would require e-payment services?

Answer: Taxpayers currently pay on line; however, LDR may consider placing e-payment services at some of its physical office locations.

Question 73: How many total in-person cashiering stations are there, if any?

Answer: At this time, LDR does not have any in-person cashiering stations at any of its offices.

Question 74: Which in-person cashiering software(s) (if any) is used?

Answer: No in-person cashiering software is used at this time.

Question 75: Which bank is the banking services provider? (i.e. where funds are deposited)

Answer: See Answer to Question 40.

Question 76: If known, please supply the number of debit/credit card chargebacks in the last 12 months.

Answer: See Answer to Question 19.

Question 77: If known, please supply the number of e-check returns in the last 12 months.

Answer: E-Checks are treated like credit card payments. The number of E-Check returns is unknown.

Question 78: Do you have an existing public site or IVR that takes payments?

Answer: Yes, there is an existing public site and IVR that takes payments. The public site and IVR are provided and customized by the Contractor.

Question 79: How do you receive information about payments taken online or via IVR?

Answer: Currently, LDR has access to the Contractor's user website to search for payments and run reports as needed. Proposers should include their process for providing this information to the State in their proposal.

Question 80: Real-time updates (often called postbacks) into your system after a payment occurs?
If yes:

- a. Can the client conform to [the Proposer's] standardized format and sending methods?
- b. Or, does the client have customized format and sending methods for these postback updates?

Answer: No, LDR does not currently receive real-time updates.

Question 81: A remittance file containing collected record of total payments within a 24 hour day?
If yes:

- a. Can the client conform to [the Proposer's] standardized format and sending methods?
- b. Or, does the client have specialized custom fields to be included in this file?

Answer: The remittance file is mandated within 24 hours of the settlement date. LDR does not have a required format. Proposers should provide information on their standardized format and sending methods in the proposal. Custom addenda records will accompany each payment record. LDR will provide the Contractor with custom addenda records.

Question 82: Does the client require postbacks or a remittance file? Does the client require both types of updates?

Answer: LDR requires a report or a file for postbacks. LDR requires a remittance file for payments. Refer to RFP Section 2.2 Deliverables, 3rd bullet, and RFP Attachment H: Credit Card ACH File Requirements.

Question 95: What are the most common bill types paid through the IVR (if existing) or which bill types will receive the highest volume of IVR payments?

Answer: This information is not tracked or captured.

Question 96: Does the IVR need to accept payment of multiple bills for a given account number in a single transaction?

Answer: No, the IVR does not need to accept payment of multiple bills for a given account number in a single transaction.

Question 97: Will the IVR need to enforce your business rules including, but not limited to, the following? If so, please provide those rules as they apply to each bill type.

- a. Whether a particular account/bill is payable
- b. Whether fees or penalties are applied
- c. The order or sequence in which bills are paid

Answer: No, the IVR will not need to enforce business rules.

Question 98: Please provide card payment volume and number of transactions for each of the non-tax payment types:

- a. Corrections
- b. Court Fines and Penalties
- c. Permit fees and fines
- d. Vehicle Insurance Cancellations fines
- e. Parking Fines
- f. Probation and Parole Costs and Fees
- g. Payroll Overpayments
- h. Supervision fees, processing fees, technology fund fees
- i. Student Loan
- j. Tuition Fees
- k. Traffic Tickets
- l. Water Bills
- m. Sewerage Fees

Answer: ODR does not currently receive electronic payments from the categories listed above.

Question 99: Which non-tax item types use convenience/service fees, and which ones does the State absorb card costs? Based on Attachment G it looks like only convenience fee pricing is needed.

Answer: All non-tax item types included in the RFP use convenience/services fees. The State does not absorb card costs.

Question 100: Does Official Payments (ACI) provide processing for all item types listed (tax and non-tax), or just some of them?

Answer: The current Contractor handles tax payments only.

Question 101: Attachment A: Scope of Work/Services, Section 2: General Mandatory Requirements. Who is the State's certified card processor? Is the Contractor required to process all credit and debit card payments through this certified card processor? Is the certified processing organization required to work with the Contractor?

Answer: The current authorized processing organization is Elavon as part of a contract between the Louisiana Department of Treasury and U.S. Bank National Association. Yes, the Contractor is required to process all credit and debit card payments through the State's certified card processor. Yes, the State certified card processor is required to work with the Contractor.

Question 103: If the Louisiana Department of Revenue and the State of Louisiana will not be charged in reference to the RFP and if Proposer is Hudson Initiative certified and in accordance with the Executive Order JB 2017-18 regarding Small Purchase Procedures for purchases \$5000 and less, wouldn't this solicitation for Electronic Credit Card and Debit Card processing services be exempt from the competitive sealed bidding requirements of the Louisiana Procurement Code?

Answer: Executive Order JBE-2017-18 does not prohibit purchases \$5,000 or less from being solicited. The State has determined that it is in the State's best interest to procure these services through competitive sealed proposal.

Question 104: Pg. 41, 2.0 General Mandatory Requirements stated that the "Contractor shall be a certified card processor for VISA, MasterCard, Discover and American Express credit/debit cards", can the Government confirm that it is acceptable for the contractor to provide a gateway that is integrated with a merchant processor that is certified directly to all major card brands? Additionally, please clarify the specific certifications sought in this mandatory requirement.

Answer: Yes, it is acceptable for the Contractor to provide a gateway that is integrated with a merchant processor that is certified directly to all major card brands as long as the Contractor provided gateway meets all the processing, security and confidentiality requirements outlined by the RFP and the contract.

Question 105: Pg. 41, 2.0 General Mandatory Requirements states "Accepting and processing eCheck electronic payments shall include verification of the account number and that the account has a positive balance", can the government please clarify the requirement to check that an account has a positive balance? Is this requirement mandating the use of a third-party check verification service to reduce chances that the account does not have sufficient funds, or the use of Early Warning, or something else? To our knowledge, no provider can 100% guarantee a positive account balance.

Answer: The Contractor shall verify that as of the opening of the business day, the account number identified in the payment transaction is a valid account number and had a positive balance in the

account. The Contractor is not required to detect whether the balance is sufficient to cover the pending payment transaction or whether funds were subsequently withdrawn during the business day.

Question 106: Pg. 41, 2.0 General Mandatory Requirements states "The Contractor shall also accept and process MoneyGram® cash payments from or at remote walk-up locations", can the government please provide details on the technical interfaces, operational processes, and financial flows associated with collecting tax payments using MoneyGram? Will the cost of doing a MoneyGram payment need to be recovered through a separate convenience fee?

Answer: See specification change in this Addendum Number 7. There is no interface with LDR systems for payment submission. MoneyGram, Western Union payments, or equivalent, may be accepted in a process defined by the Contractor. However, the remittance file must be in the same ACH format including addenda details, as debit and credit card payments. Yes, the cost of MoneyGram, Western Union payments, or equivalent, will be recovered through a separate convenience fee charged to the payor.

Question 107: Pg. 41, 2.0 General Mandatory Requirements "The Contractor shall collect both the tax payment or non-tax debt payment and the convenience fee from the cardholder, and remit to the State the tax or non-tax debt payment portion" which contradicts with Pg 45, 3.0 Contractor's System Mandatory Requirements, "The system shall keep the convenience fee separate from the tax payment and only the tax payment will settle into the State's bank account(s)." These two requirements seem to contradict each other. Should the customer be charged a single amount for both the tax and fee amount, or should the tax and convenience fee be charged separately as two charges?

Answer: The Contractor may determine whether the convenience fee is charged separately. Only the tax or non-tax payment will be settled into the State's account. The convenience fee should not be included in any of the payment remittance files. Proposer should include a description of the proposed process in their proposal.

Question 108: Pg. 41, 2.0 General Mandatory Requirements - Does the Contractor settle card payments (tax payment and convenience fee) into the contractor's bank account and then remit the tax payment portion to the State, or is it expected that funds will settle directly into a State bank account? In the requested flow, does the State anticipate being the Merchant of Record or is the State open to a model where the Contractor is the Merchant of Record?

Answer: The settlement process is a dual authorization process whereby the transaction funds are split. The funds owed to the agency are deposited directly into the State's designated account and the convenience/service fee is settled in the Contractor's account. In short, State funds are never deposited into the Contractor's account. The State shall be the merchant of record.

Question 109: PG43, 2.0 General Mandatory Requirements - "The Contractor shall utilize the State's authorized processing organization for payment card and check processing operations." Please provide details on the State's authorized processing organizations and confirm whether the Contractor will be using its payment processor for credit/debit cards and e-check payments. If

utilizing a state processor, please provide information on the available interfaces to the State's processor(s) for each payment type.

Answer: See answer to Question 1. Information regarding interfaces will be shared during the contract negotiation process.

Question 110: PG 32, 2.2 Deliverables - Is this ACH-formatted electronic flat file processed by the State's bank to move funds to the State's bank account or is it just used to convey the details associated with incoming payments (i.e. used as an accounts receivable file)?

Answer: An ACH-formatted file is used to convey payment details for incoming payments.

Question 111: PG 70, Attachment G: Worksheet for Convenience Fee - Can the Contractor propose different convenience fee structures for each type of payment? That is, a convenience fee structure for debit/credit cards, a different convenience fee structure for eChecks, and a third fee structure for MoneyGram payments?

Answer: Yes, the Contractor may propose different convenience fee structures for each type of payment. See Revised Attachment G: Worksheet for Convenience Fee of this Addendum Number 7.

Exhibit 1

PAYMENT SOURCE	FY2019 VOLUME	FY2019 \$	FY2018 VOLUME	FY2018 \$	FY2017 VOLUME	FY2017\$	FY2016 VOLUME	FY2016 \$
Collection Agencies	109,657	\$27,949,571	84,930	\$23,227,844	43,740	\$13,294,705	68,377	\$20,426,367
ACH/EFT/ Fed Wire	1,741,388	\$9,425,447,042	1,654,739	\$9,730,433,327	1,562,937	\$9,433,614,520	1,484,405	\$8,053,548,920
Credit Card Payments	50,881	\$26,502,756	50,596	\$25,303,827	47,197	\$23,741,496	47,013	\$21,575,287
Total Electronic Payments	1,901,926	\$9,479,899,369	1,790,265	\$9,778,964,998	1,653,874	\$9,470,650,721	1,599,795	\$8,095,550,574

Revised Attachment G: Worksheet for Convenience Fee 3/17/2020

Tax Payment Range	Credit Card Convenience Fee Amount or Percentage	Debit Card Convenience Fee Amount or Percentage	ACH (eCheck/Cash) Convenience Fee Amount or Percentage
\$0.01-Range 1 upper limit			
Range 2 lower limit -Range 2 upper limit			
Range 3 lower limit-\$99,999,999.99			

Proposers must provide as many rows for their convenience fee calculation methodology as needed for evaluating the convenience fee on any tax payment ranging from \$0.01 to \$99,999,999.99.

EXAMPLES OF HOW TO COMPLETE THE WORKSHEET

METHODOLOGY 1-A single percentage is used for all transactions

Tax Payment Range	Credit Card Convenience Fee Amount or Percentage	Debit Card Convenience Fee Amount or Percentage	ACH (eCheck/Cash) Convenience Fee Amount or Percentage
\$0.01-\$99,999,999.99	1.00%		

METHODOLOGY 2-Tiered pricing using multiple percentage rates

Tax Payment Range	Credit Card Convenience Fee Amount or Percentage	Debit Card Convenience Fee Amount or Percentage	ACH (eCheck/Cash) Convenience Fee Amount or Percentage
\$0.01-\$1,000.00	1.00%		
\$1,000.01-\$10,000.00	0.90%		
\$10,000.01-\$99,999,999.99	0.75%		

METHODOLOGY 3-Tiered pricing using a combination of fixed fee and percentage

Tax Payment Range	Credit Card Convenience Fee Amount or Percentage	Debit Card Convenience Fee Amount or Percentage	ACH (eCheck/Cash) Convenience Fee Amount or Percentage
\$0.01-\$100.00	\$5.00		
\$100.01-\$99,999,999.99	5.00%		

METHODOLOGY 4-Tiered pricing using multiple fixed fees

Tax Payment Range	Credit Card Convenience Fee Amount or Percentage	Debit Card Convenience Fee Amount or Percentage	ACH (eCheck/Cash) Convenience Fee Amount or Percentage
\$0.01-\$1,000.00	\$5.00		
\$1,000.01-\$10,000.00	\$10.00		
\$10,000.01-\$99,999,999.99	\$15.00		

•• Range amounts are not to overlap between ranges.